



10 June 2016

## **ASX Announcement**

### **WCB LAUNCHES A \$142 MILLION PRO-RATA RENOUNCEABLE ENTITLEMENT OFFER**

#### **Details of the Entitlement Offer**

Warrnambool Cheese and Butter Factory Company Holdings Limited (WCB or the Company) today announced that it will raise up to \$142.0 million (before costs) through a 3 for 8 pro-rata renounceable Entitlement Offer of New Shares at an Offer Price of \$6.75 per New Share. The Entitlement Offer is not underwritten.

The Offer Price represents an 18.2% discount to the closing price of WCB Shares of \$8.25 per Share as at 9 June 2016, the last day before the Entitlement Offer was announced, and a 13.9% discount to the theoretical ex-rights price (TERP).

All of the proceeds from the Entitlement Offer, less costs, will be used to repay debt. This will strengthen the balance sheet and provide greater financial flexibility to invest in strategic capital investment initiatives. This includes a planned capital project to expand capacity to manufacture cheese and other dairy products. This project will commence in FY17 and is expected to be completed in FY18 and will cost approximately \$40 million.

As at 31 March 2016, the Company had net debt of \$213.1 million, equating to a Net Debt / EBITDA (FY16A) ratio of 8.6x. Upon conclusion of the Entitlement Offer, pro-forma Net Debt / EBITDA (FY16A) as at 31 March 2016 will be reduced to 2.9x, assuming that all shareholders participate in the Entitlement Offer for their full Entitlement.

The Entitlement Offer is renounceable, which means that Entitlements may be offered for sale on the ASX or otherwise transferred, providing the opportunity for Eligible Shareholders to potentially realise value for any Entitlements not taken up. Eligible Shareholders may also apply for additional New Shares in excess of their Entitlement (Additional New Shares) at the Offer Price under the Top Up Facility.

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Saputo Inc. (Saputo), the ultimate holding company of the Company's 87.92% shareholder, Saputo Dairy Australia Pty Limited (Saputo Dairy), has provided an irrevocable commitment that Saputo Dairy will take up its full pro-rata share of the Entitlement Offer, providing the Company with approximately \$124.8 million of new equity. Saputo Dairy will not be applying for New Shares under the Top Up Facility.

### **Entitlement Offer Timetable**

The indicative timetable for the Entitlement Offer is as follows:

<b>Event</b>	<b>Date</b>
Ex-date and Entitlement market opens on ASX	15 June 2016
Record Date for the Entitlement Offer	7.00pm (Melbourne time) 16 June 2016
Offer Booklet despatched, Entitlement Offer opens	20 June 2016
Entitlement market ceases on ASX	22 June 2016
New Shares commence trading on ASX on a deferred settlement basis	23 June 2016
Entitlement Offer closes	5.00pm (Melbourne time) 29 June 2016
Issue of New Shares (and any Additional New Shares)	6 July 2016
Trading of New Shares (and any Additional New Shares) on ASX on a normal settlement basis	7 July 2016

### **Further Information**

Please refer to the Offer Booklet for further details relating to the Entitlement Offer.

WCB, and the independent board committee of WCB formed for the purposes of considering the Entitlement Offer, are being advised by Rothschild and Clayton Utz.

ENDS

For more information, please contact:

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This announcement is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission (ASIC)). The announcement is not and should not be considered an offer or an invitation to acquire Entitlements or New Shares or any other financial products.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements or the New Shares may not be granted to, taken up by, or offered or sold to, directly or indirectly, any person in the United States, or any person acting for the account or benefit of a person in the United States, except pursuant to a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable state securities laws. The distribution of this announcement in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## **Forward looking statements**

This announcement contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” ”outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of WCB, the outcome and effects of the Entitlement Offer and the use of proceeds. The forward looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of WCB, its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Summary of Key Risks" section of the Offer Booklet for a summary of certain general and WCB specific risk factors that may affect WCB or an investment in WCB.

There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in the Offer Booklet. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. The forward looking statements are based on information available to WCB as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), WCB undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.